

FORMAT OF CONTRACT PERFORMANCE GUARANTEE

Note:-

1. This guarantee has to be furnished by a Nationalised Bank / Scheduled Bank Authorised by RBI to issue a Bank Guarantee excepting Bank Of Baroda. NLC reserves its rights to reject the Bank Guarantee if the same is not in the specified format.
2. The Bank Guarantee should be furnished on Stamp paper of value of not less than Rs.80.00.
3. The stamp papers should be purchased in the name of Bank executing the guarantee.
4. In the case of foreign bidder the B.G may be furnished by an international reputed Bank acceptable to the PURCHASER /RBI.
5. The Bank Guarantee shall be valid till the completion of warranty period or actual date of completion of LTPT whichever is later with grace period of 3 (Three) months thereafter in the case of procurement for Mines units. In the case of procurement for Thermal Stations and other units the Bank guarantee shall be valid till the completion of warranty period with a grace period of three months there after.
6. Any deviation in this format will not be acceptable.

DATE:

Bank Guarantee No.

To

M/s. Neyveli Lignite Corporation Limited,
Neyveli - 607 801,
CUDDALORE Dist., Tamil Nadu.

Dear Sirs,

- 1.0 In consideration of the Neyveli Lignite Corporation limited, Neyveli hereinafter referred to as the PURCHASER, which expression shall, unless repugnant to the context or meaning, thereof include its successors, representatives and assignees, having awarded in favour of M/s. having registered office at hereinafter referred to as the CONTRACTOR, which expression shall unless repugnant to the context or meaning thereof include its successors, administrators, representatives and assignees, a Contract, hereinafter "referred as the CONTRACT" for the on terms and conditions set out interalia, in the PURCHASER`s Contract /Letter of Award No..... dated as well as "CONTRACT" documents, valued at (In words) and the same having been unequivocally accepted by the CONTRACTOR and the CONTRACTOR having agreed to provide a Contract Performance Guarantee for the faithful performance of the entire "Contract" including the warranty obligations /liabilities under the contract Equivalent to 10% of the said value of the Contract if any, to the PURCHASER amounting to (In words) as Contract Security in the form of a Bank Guarantee.

- 2.0 We,(Name).....(Address) hereinafter referred to as the "Bank which expression shall, unless repugnant to the context or meaning thereof, include its successors, administrators, representatives and assignees do hereby irrevocably guarantee and undertake to pay the PURCHASER merely on demand without any previous notice and without any demur and without referring to any other source, any and all monies payable by the CONTRACTOR by reason of any breach by the said CONTRACTOR of any of the terms and conditions of the said CONTRACT including non-execution of the "CONTRACT AGREEMENT" to the extent of 10% of the Contract price at any time upto (day /month/ year). Any such demand made by the PURCHASER on the bank shall be conclusive and binding, absolute and unequivocal not withstanding any disputes raised/pending before any court, tribunal, arbitration or any other authority. The Bank agrees that the guarantee herein contained shall continue to be enforceable till this sum due to the PURCHASER is fully paid and claims satisfied or till the PURCHASER discharges this Guarantee.
- 3.0 The Bank further irrevocably guarantees and undertakes to pay any and all monies due and payable by the CONTRACTOR by reasons of non-fulfilment of any of the following obligations.
- 3.1 For the successful and satisfactory operation of the equipment furnished and erected under the said Contract as per the specifications and documents.
- 3.2 That the equipment installed under the said Contract shall be new and in accordance with Contract Documents and be free from all defects in design, material workmanship and performance including modifications, improvements and replacements for a period of 12 calender months, from successful completion of take over test of the equipment and that immediately upon intimation /written notice from the PURCHASER, the CONTRACTOR shall remedy free of expenses to the PURCHASER such defects as noticed and developed under the normal use of the said equipment, within the said guarantee period.
- 4.0 The PURCHASER shall have the fullest liberty without affecting in any way the liability of the Bank under this guarantee, from time to time, to extend the time of performance by the CONTRACTOR. The Bank shall not be released from its liabilities under these presents by any exercise of the PURCHASER of the liberty with reference to the matter aforesaid.
- 5.0 The PURCHASER shall have the fullest liberty, without affecting this guarantee to postpone from time to time the exercise of any powers vested in them or of any right which they might have against the CONTRACTOR and to exercise the same at any time in any manner, and either to enforce or to forbear to enforce any covenants, contained or implied in the CONTRACT between the PURCHASER and the CONTRACTOR or any other course or remedy or security available to the PURCHASER and the BANK shall not be released of its obligations/ liabilities under these presents by any exercise by the PURCHASER of his liberty with reference to the matters aforesaid or any of them or by reasons of any other act or forbearance or other acts of omission or

commission on part of the PURCHASER or any other indulgence shown by the PURCHASER or by any other matter or thing whatsoever which under law would, but for this provision, have the effect of relieving the Bank Guarantee. The Bank further undertakes not to revoke this guarantee during its currency without the previous consent of the PURCHASER.

- 6.0 The Bank further agrees that the decision of the PURCHASER as to the failure on the part of the CONTRACTOR to fulfil their obligations as aforesaid and/or as to the amount payable by the BANK to the PURCHASER hereunder shall be final, conclusive and binding on the BANK.
- 7.0 The Bank also agrees that the PURCHASER shall be entitled at his option to enforce this guarantee against the BANK as a principal debtor, in the first instance notwithstanding any other Security or guarantee that it may have in relation to the CONTRACTOR's liabilities.
- 8.0 This guarantee will not be discharged due to the change in the constitution of the BANK or the CONTRACTOR(S).
- 9.0 Notwithstanding anything contained herein:
 - a. our liability under this bank guarantee shall not exceed (in words)
 - b. this bank guarantee shall be valid upto; and
 - c. we are liable to pay the guaranteed amount or any part thereof under this bank guarantee only and only if you serve upon us a written claim or demand on or before

Return of this document to us by any person before the aforesaid date will, however, extinguish our liability as on the date of return.

WITNESSES :

- 1. (Signature with name in Block Signature
letters and with designation) (Printed Name)
Designation
Staff Code No.
Bank's seal
- 2. (Signature with name in Block Attorney as per power of
letters and with designation) Attorney No.
Dated